

AMENDMENT FORM

Committee: Public Safety and Legal Administration

Page Number(s): 2

Ordinance I.D. # _____

Section(s): 2

Resolution I.D. # 01-R-1423

Paragraph:

Subject: Settlement of Lawsuit, American Computer
Technology vs. City of Atlanta

Amendment: Section 2 of this Resolution is hereby amended by deleting the existing provisions of that section and inserting in lieu thereof the following provisions:

Section 2: "That the Chief Financial Officer is authorized and directed to pay to American Computer Technology, Inc. the total sum of Two Million Nine Hundred Thousand (\$2,900,000.00) Dollars to compensate American Computer Technology for services rendered and to settle the above referenced lawsuit, and said amount is to be charged to and paid from Account Number 1A01 529017 T31001. This Resolution and the payment authorized herein are conditioned upon any such payment to American Computer Technology, Inc. being subject to the certification of the availability of such funds by the Chief Financial Officer."

**A RESOLUTION BY COUNCILMEMBERS MICHAEL BOND AND CLETA WINSLOW
AS SUBSTITUTED BY COMMITTEE ON PUBLIC SAFETY AND LEGAL ADMINISTRATION**

**A RESOLUTION AUTHORIZING THE PAYMENT OF UNPAID INVOICES
FOR SERVICES RENDERED AND FINAL SETTLEMENT AND
COMPROMISE OF A LAWSUIT AGAINST THE CITY OF ATLANTA
FILED BY AMERICAN COMPUTER TECHNOLOGY, INC.; AND FOR
OTHER PURPOSES.**

WHEREAS, American Computer Technology filed suit in the Superior Court of Fulton County against the City of Atlanta ("City") on or about March, 2001, *American Computer Technology v. City of Atlanta, Civil Action File No. 2001CV35168*, alleging among other things, that the City breached its contracts with the firm and, alternatively, sought recovery on the basis of quantum meruit against the City for the reasonable value of services rendered; and

WHEREAS, American Computer Technology's lawsuit demanded compensation in the amount of \$5,503,381.00 plus interest, attorney's fees, and litigation expenses; and

WHEREAS, American Computer Technology performed services on the following projects for the City: Year 2000 Project Management Services, Mainframe Support Services, PeopleSoft Implementation, and PeopleSoft Support Services;

WHEREAS, American Computer Technology alleges that the City breached its obligations to pay the firm's various invoices for services which American Computer Technology contends it rendered at various times from the Summer of 1999 to December, 2000; and

WHEREAS, in its suit, American Computer Technology, Inc. seeks, among other things, damages for the alleged breach of its contracts, attorneys' fees, interest, and expenses of litigation in an amount in the amount of Five Million Five Hundred Three Thousand Three Hundred Eighty One (\$5,503,381.00) Dollars ; and

WHEREAS, the City denies the allegations but recognizes that it is in the City's best interest to resolve the lawsuit for a sum less than what the City may potentially pay if this matter is fully litigated adverse to the City on the merits; and

WHEREAS, American Computer Technology, Inc. expressed its willingness to accept a full, complete and final settlement of all claims under both Contracts against the City which have been brought, or which could have been brought, for the total sum of Two Million Nine Hundred Thousand (\$2,900,000.00) Dollars; and

WHEREAS, if approved by the City Council, American Computer Technology, Inc. will execute dismissal with prejudice and a release in favor of the City, its officers, agents, and employees; and

WHEREAS, the Law Department has concluded that the settlement of this lawsuit is reasonable and recommends that such settlement will be in the best interests of the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ATLANTA AS FOLLOWS:

Section 1: That the City Attorney be and is authorized to conclude the full, final and complete settlement of all claims which have been brought or which could have been brought against the City and its officers, agents, and employees by American Computer Technology, Inc. and that the City Attorney shall obtain a release and a dismissal with prejudice of the pending lawsuit, *American Computer Technology v. City of Atlanta*, Fulton Superior Court, Case Number 2001CV35168, together with a release and any other documents deemed necessary by the City Attorney to protect the City's interest.